

History - Comments and Questions

1. "The opportunity to reintroduce the idea did not arise until after the TVA offered the variable annuity in its basic pension plan in 1959."

The inference is that the Take Stock plan could not have been sold to management or employees without the precedent of the variable annuity plan. Knowledge of the problems and tactics used to sell the variable annuity plan would appear to be useful.

a. What were the arguments against the variable annuity?

b. How was management and employee body convinced?

c. Was acceptance spontaneous, gradual, accelerating over span of years?

2. "The official family raised questions, rhetorical and otherwise."

Who were the questioners - what challenges and doubts were raised?

3. "Mr. called on ... the Crosby Corporation ... a team presentation was agreed upon."

How were these teams organized - who participated?

4. "Plan would have to meet the approval of many governmental agencies, including the Treasury."

What governmental agencies were actually involved - GAO, Comptroller General, SEC, Treasury?

STATINTL

- 2 -

5. "In the fall of 1966, the TVA retirement system issued a series of informative bulletins designed to supplement seminars and discussions held for the employees. Many people had a hand in drawing up this material including the NYSE and NASD."

What contribution was made by NYSE and NASD - did they have any regulatory interest in the plan?

6. "Organizational teams were set up ... over 70 meetings were held."

Who constituted these teams - TVA employees or Fidelity people?

7. "By the end of the first^{or} second weeks 800 employees had authorized deductions for more than \$400,000 projected over a 13 month period."

a. Was the initial signing up of employees for the plan conditioned upon the attainment of sufficient volume to ensure a 1% commission? *no - were sure of 2% by reason of prior sign up. actually almost missed 1% - Plan would have started in any event. + not would only have*

b. If \$1 million level for first 13 months had not been reached, would the plan have taken effect? *Yes*

c. What was done with the money withheld prior to first purchases?